

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power  
cost recovery clause and  
generating performance incentive  
factor.

DOCKET NO. 010001-EI

FILED: OCTOBER 15, 2001

**STAFF'S PRELIMINARY LIST OF ISSUES AND POSITIONS**

Pursuant to Order No. PSC-01-0665-PCO-EI, issued March 16, 2001, establishing the prehearing procedure in this docket, the Staff of the Florida Public Service Commission hereby files its Preliminary List of Issues and Positions.

**GENERIC FUEL ADJUSTMENT ISSUES**

**ISSUE 1:** What are the appropriate final fuel adjustment true-up amounts for the period January, 2000 through December, 2000?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 2:** What are the appropriate estimated/actual fuel adjustment true-up amounts for the period January, 2001 through December, 2001?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 3:** What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January, 2002 to December, 2002?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 4:** What are the appropriate levelized fuel cost recovery factors for the period January, 2002 to December, 2002?

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**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 5:** What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 6:** What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/ delivery voltage level class?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 7:** What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 8:** What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January, 2002 to December, 2002?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 9:** What is the appropriate benchmark level for calendar year 2001 for gains on non-separated wholesale energy sales eligible for a shareholder incentive as set forth by Order No. PSC-00-1744-PAA-EI, in Docket No. 991779-EI,

issued September 26, 2000, for each investor-owned electric utility?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 10:** What is the appropriate estimated benchmark level for calendar year 2002 for gains on non-separated wholesale energy sales eligible for a shareholder incentive as set forth by Order No. PSC-00-1744-PAA-EI, in Docket No. 991779-EI, issued September 26, 2000, for each investor-owned electric utility?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 11:** Has each investor-owned electric utility taken reasonable steps to manage the risks associated with its fuel transactions through the use of physical and financial hedging practices?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 12:** What is the appropriate regulatory treatment for gains and losses from hedging an investor-owned electric utility's fuel transactions through futures contracts?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 13:** What is the appropriate regulatory treatment for the premiums received and paid for hedging an investor-owned electric utility's fuel transactions through options contracts?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 14:** What is the appropriate regulatory treatment for the transaction costs associated with an investor-owned electric utility hedging its fuel transactions?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 15:** What is the appropriate regulatory treatment for capital projects with an in-service date on or after January 1, 2002, that are expected to reduce long-term fuel costs?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 16:** What is the appropriate rate of return on the unamortized balance of capital projects with an in-service date on or after January 1, 2002, that are expected to reduce long-term fuel costs?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 17:** If an investor-owned electric utility exceeds the ceiling on its authorized return on common equity, can and/or should the Commission reduce by a commensurate amount recovery of prudently-incurred expenditures through the Commission's fuel and purchased power cost recovery clause?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 17A:**  
Should voluntary funding of the Gas Research Institute (GRI) surcharge be recovered through the fuel and purchased power cost recovery clause?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES**

**Florida Power & Light Company**

**ISSUE 18A:**

For the period March 1999, to March 2001, did FPL take reasonable steps to manage the risk associated with changes in natural gas prices?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 18B:**

Is FPL's aerial survey method of its coal inventory at Plant Scherer as stated in Audit Disclosure No. 1 of Audit Control No. 01-053-4-1 consistent with the method set forth in Order No. PSC-97-0359-FOF-EI, in Docket No. 970001-EI, issued March 31, 1997?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 18C:**

What is the appropriate regulatory treatment for sales of natural gas and transportation capacity made by FPL to an affiliated company?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 18D:**

What is the appropriate regulatory treatment for sales of natural gas and transportation capacity made by FPL to an unaffiliated company?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

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**ISSUE 18E:**

How should FPL allocate the costs associated with its sales of natural gas to Florida Power and Light Energy Services?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 18F:**

What is the appropriate regulatory treatment of Florida Power and Light Energy Services' revenues and costs made to customers within FPL's service area?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 18G:**

What is the appropriate regulatory treatment of Florida Power and Light Energy Services' revenues and costs made to customer outside of FPL's service area?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 18H:**

Are the costs associated with Florida Power & Light Company's purchase of 50 MW firm capacity and associated energy from Florida Power Corporation reasonable?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 18I:**

Are the costs associated with Florida Power & Light Company's purchase of approximately 1,000 MW of capacity and associated energy from Progress Energy Ventures, Reliant Energy Services, and Oleander Power Project L. P. reasonable?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 18J:**

Should the Commission allow Florida Power & Light Company to recover through the fuel and capacity cost recovery clauses payments made to Cedar Bay resulting from litigation between FPL and Cedar Bay?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**Florida Power Corporation**

**ISSUE 19A:**

Has Florida Power Corporation confirmed the validity of the methodology used to determine the equity component of Electric Fuels Corporation's capital structure for calendar year 2000?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 19B:**

Has Florida Power Corporation properly calculated the market price true-up for coal purchases from Powell Mountain?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 19C: -**

Has Florida Power Corporation properly calculated the 2000 price for waterborne transportation services provided by Electric Fuels Corporation?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 19D:**

For the period March 1999, to March 2001, did Florida Power take reasonable steps to manage the risk associated with changes in natural gas prices?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 19E:**

Were Florida Power's replacement fuel costs for the unplanned outage at Crystal River Unit 2, commencing on June 1, 2000, reasonable?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 19F:**

Should the Commission allow Florida Power to recover payments made to Lake Cogen, Ltd. resulting from litigation between Florida Power and Lake Cogen, Ltd.?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**Florida Public Utilities Company**

**ISSUE 20A:**

As stated in Audit Disclosure No. 1 in Audit Control No. 01-053-4-2, did Florida Public Utilities Company charge its ratepayers in its GSD class a fuel cost recovery factor that was less than the Commission-approved fuel cost recovery factor for that class?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 20B:**

If Florida Public Utilities Company did charge its ratepayers in its GSD class a fuel cost recovery factor



that was less than the Commission-approved fuel cost recovery factor for that class, what are the appropriate corrective actions Florida Public Utilities Company should take?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**Tampa Electric Company**

**ISSUE 21A:**

What is the appropriate 2000 waterborne coal transportation benchmark price for transportation services provided by affiliates of Tampa Electric Company?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 21B:**

Has Tampa Electric Company adequately justified any costs associated with transportation services provided by affiliates of Tampa Electric Company that exceed the 2000 waterborne transportation benchmark price?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 21C:**

For the period January 1998, to December 2000, were Tampa Electric Company's decisions regarding its wholesale energy purchases from and its wholesale energy sales to Hardee Power Partners reasonable?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 21D:**

For the period January 1998, to December 2000, were Tampa Electric Company's decisions regarding its wholesale energy purchases from and its wholesale energy sales to non-affiliated entities reasonable?

**ISSUE 21E:**

Is Tampa Electric's lease of 39 portable generators to provide 70 MW of peaking capacity reasonable?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 21F:**

Is Tampa Electric's proposal to refund \$6.37 million from 1999 earnings to its ratepayers from January 2002, to March 2002, reasonable?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**Gulf Power Company**

**ISSUE 22A:**

Were Gulf Power's replacement fuel costs for the unplanned outage at Crist Unit 2, commencing on August 2, 2000, reasonable?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 22B:**

As stated in Audit Disclosure No. 3 of Audit Control No. 01-053-1-1 and Audit Disclosure No. 3 of Audit Control No. 01-023-1-1, did Gulf Power Company overstate Interchange Sales reported for the year ended December 31, 2000, by \$385,796?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 22C:**

If Gulf Power Company did overstate Interchange Sales reported for the year ended December 31, 2000, by \$385,796, what are the appropriate corrective actions that Gulf Power Company should take?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES**

**ISSUE 23:** What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January, 2000 through December, 2000 for each investor-owned electric utility subject to the GPIF?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 24:** What should the GPIF targets/ranges be for the period January, 2002 through December, 2002 for each investor-owned electric utility subject to the GPIF?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**GENERIC CAPACITY COST RECOVERY FACTOR ISSUES**

**ISSUE 25:** What are the appropriate final capacity cost recovery true-up amounts for the period January, 2000 through December, 2000?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 26:** What are the appropriate estimated/actual capacity cost recovery true-up amounts for the period January, 2001 through December, 2001?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 27:** What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January, 2002 through December, 2002?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 28:** What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January, 2002 through December, 2002?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 29:** What are the appropriate jurisdictional separation factors to be applied to determine the capacity costs to be recovered during the period January, 2002 through December, 2002?

**POSITION:** No position pending further discovery and evidence adduced at hearing.

**ISSUE 30:** What are the projected capacity cost recovery factors for each rate class/ delivery class for the period January, 2002 through December, 2002?

**POSITION:** No position pending further discovery and evidence adduced at hearing.


**ISSUE 31:** What is the appropriate adjustment to Gulf Power Company's total recoverable capacity payments to reflect the former capacity transactions embedded in the company's base rates, as reflected on line 8 of Schedule CCE-1?

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Dated this 15th day of October, 2001.

Respectfully submitted,

  
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that one copy of STAFF'S PRELIMINARY LIST OF  
ISSUES AND POSITIONS has been furnished to the following by U. S.

Mail this 15<sup>th</sup> day of October 2001:

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